

106TH CONGRESS  
1ST SESSION

# H. R. 1715

To extend the expiration date of the Defense Production Act of 1950, and  
for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1999

Mr. BACHUS (for himself and Ms. WATERS) (both by request), introduced the  
following bill; which was referred to the Committee on Banking and Fi-  
nancial Services

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## A BILL

To extend the expiration date of the Defense Production  
Act of 1950, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Defense Production  
5       Act Amendments of 1999”.

6       **SEC. 2. EXTENSION OF THE DEFENSE PRODUCTION ACT OF**  
7       **1950.**

8       Subsection 717(a) of the Defense Production Act of  
9       1950 (50 U.S.C. App. 2166(a)) is amended in the first  
10      sentence by striking “Title I (except section 104), title III,

1 and title VII (except sections 708 and 721), and all au-  
 2 thority conferred thereunder, shall terminate at the close  
 3 of September 30, 1999” and inserting “Title I (except sec-  
 4 tion 104), title III, and title VII (except sections 707, 708,  
 5 and 721), and all authority conferred thereunder, shall  
 6 terminate at the close of September 30, 2002”.

7 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

8 Section 711(b) of the Defense Production Act of  
 9 1950 (50 U.S.C. App. 2161(b)) is amended by striking  
 10 “1996, 1997, 1998, and 1999” and inserting “2000,  
 11 2001, and 2002”.

12 **SEC. 4. LOAN GUARANTEES.**

13 Section 301 of the Defense Production Act of 1950  
 14 (50 U.S.C. App. 2091) is amended—

15 (1) in subsection (a), by inserting “create,  
 16 maintain,” after “guaranteeing agency to be nec-  
 17 essary to”;

18 (2) in subsection (a)(3)(D), by striking “output  
 19 of domestic industrial capability” and inserting  
 20 “foreseeable output of domestic industrial capa-  
 21 bility”; and

22 (3) in subsection (e)(1), by amending subpara-  
 23 graphs (A) through (C) to read as follows:

24 “(A) Except as provided in subparagraph  
 25 (D), no guarantee may be made under this sec-

tion until 30 days after the President notifies Congress of an industrial resource or critical technology item shortfall which such guarantee is intended to correct and that such guarantee is in accordance with the provisions of subsection (a)(3) of this section.

“(B) Notification shall be transmitted in the budget or in writing to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives.

“(C) If the making of any guarantee or guarantees to correct an industrial resource shortfall would cause the aggregate outstanding amount of all guarantees for such shortfall to exceed \$50,000,000, any such guarantee or guarantees may be made only if specifically authorized by law.”.

**SEC. 5. LOANS TO PRIVATE BUSINESS ENTERPRISES.**

Section 302 of the Defense Production Act of 1950 (50 U.S.C. App. 2092) is amended—

(1) in subsection (a), by striking “for the expansion of capacity” and inserting “for the creation, maintenance, or expansion of capacity”;

1           (2) in subsection (b)(2)(D), by striking “output  
2       of domestic industrial capability” inserting “foresee-  
3       able output of domestic industrial capability”; and

4           (3) in subsection (c) by amending paragraphs  
5       (1) through (3) to read as follows:

6           “(1) Except as provided in paragraph (4), no  
7       loan may be made under this section until 30 days  
8       after the President notifies Congress of an industrial  
9       resource or critical technology item shortfall which  
10      such loan is intended to correct and that such loan  
11      is in accordance with the provisions of subsection  
12      (b)(2) of this section.

13          “(2) Notification shall be transmitted in the  
14      budget or in writing to the Committee on Banking,  
15      Housing, and Urban Affairs of the Senate and the  
16      Committee on Banking and Financial Services of the  
17      House of Representatives.

18          “(3) If the making of any loan or loans to cor-  
19      rect an industrial resource shortfall would cause the  
20      aggregate outstanding amount of all loans for such  
21      shortfall to exceed \$50,000,000, any such loan or  
22      loans may be made only if specifically authorized by  
23      law.”.

1 **SEC. 6. PURCHASES OF MATERIALS AND INSTALLATION OF**  
2 **EQUIPMENT.**

3 Section 303 of the Defense Production Act of 1950  
4 (50 U.S.C. App. 2093) is amended—

5 (1) by striking “**SEC. 303.**” at the beginning of  
6 such section and inserting the following new section  
7 heading:

8 **“SEC. 303. REDUCTION OF INDUSTRIAL RESOURCE AND**  
9 **CRITICAL TECHNOLOGY ITEM SHORTFALLS.”;**

10 (2) by amending paragraph (a)(1) to read as  
11 follows:

12 “(a)(1) To reduce industrial resource and critical  
13 technology item shortfalls, the President may make  
14 provision—

15 “(A) for purchases of our commitments to pur-  
16 chase an industrial resource or a critical technology  
17 item, for Government use or resale;

18 “(B) for the encouragement of exploration, de-  
19 velopment, and mining of critical and strategic ma-  
20 terials, and other materials;

21 “(C) for the encouragement of development or  
22 improvement of production capabilities of an indus-  
23 trial resource or critical technology item; and

24 “(D) for the insertion of critical technology  
25 items into military systems.”;

1           (3) in subparagraph (a)(5)(D) by striking “out-  
2       put of domestic industrial capability” and inserting  
3       “foreseeable output of domestic industrial capa-  
4       bility”;

5           (4) in subsection (a)(6), by amending subpara-  
6       graphs (A) and (C) to read as follows:

7           “(A) Except as provided in paragraph (7),  
8       no action may be taken under this subsection  
9       until 30 days after the President notifies Con-  
10      gress of an industrial resource or critical tech-  
11      nology item shortfall which such action is in-  
12      tended to correct and that such action is in ac-  
13      cordance with the provisions of paragraph (5).

14          “(B) Notification shall be transmitted in  
15      the budget or in writing to the Committee on  
16      Banking, Housing, and Urban Affairs of the  
17      Senate and the Committee on Banking and Fi-  
18      nancial Services of the House of Representa-  
19      tives.

20          “(C) If the taking of any action or actions  
21      under this section to correct a shortfall would  
22      cause the aggregate outstanding amount of all  
23      such actions for such industrial resource short-  
24      fall to exceed \$50,000,000, any such action or

1           actions may be taken only if specifically author-  
2           ized by law.”; and

3           (5) in subsection (g), by inserting “and for the  
4           expansion of supply of difficult to procure spares  
5           and other replenishment materiel.” after “other in-  
6           dustrial resources”.

7   **SEC. 7. CIVIL-MILITARY INDUSTRIAL INTEGRATION.**

8           Section 310 of the Defense Production Act of 1950  
9           (50 U.S.C. App. 2099a) is amended to read as follows:

10   **“SEC. 310. CIVIL-MILITARY INDUSTRIAL INTEGRATION.**

11           “When in the judgment of the President such action  
12           will reduce defense acquisition costs or strengthen indus-  
13           trial capabilities needed to support the national defense,  
14           the President, using authorities provided in this title, may  
15           make provision to achieve integration of commercial and  
16           military production.”.

17   **SEC. 8. TITLE III LOANS.**

18           Title VII of the Defense Production Act of 1950 (50  
19           U.S.C. App. 2151, et seq.) is amended by adding at the  
20           end the following new section:

21   **“SEC. 712. TITLE III LOANS.**

22           “New direct loans may not be obligated and new loan  
23           guarantees may not be committed except to the extent  
24           that appropriations of budget authority to cover their cost

1 are made in advance as required by section 504 of the  
2 Federal Credit Reform Act of 1990.”.

3 **SEC. 9. TECHNICAL AMENDMENTS.**

4 (a) Section 301(a) of the Defense Production Act of  
5 1950 (50 U.S.C. App. 2091(a)) is amended by striking  
6 “714(a)(1)” and inserting “702(16)”.

7 (b) Section 301(e) of such Act (50 U.S.C. App.  
8 2091(e)) is amended by striking “Identification of indus-  
9 trial resource” and inserting “Identification of industrial  
10 resource or critical technology item”.

11 (c) Subparagraph 301(e)(1)(D)(ii) of such Act (50  
12 U.S.C. App. 2091(e)(1)(D)(ii) is amended by inserting  
13 “item” after “critical technology”.

14 (d) Section 301(e)(2)(B) of such Act (50 U.S.C. App.  
15 2091(e)(2)(B)) is amended by striking “, Finance and  
16 Urban Affairs” and inserting “and Financial Services”.

17 (e) Section 303(a)(7)(B) of such Act (50 U.S.C. App.  
18 2093(a)(7)(B)) is amended by inserting “item” after  
19 “critical technology”.

20 (f) Section 304(b)(1) of the Defense Production Act  
21 of 1950 (50 U.S.C. App. 2094(b)(1)) is amended in the  
22 second sentence by striking “section 711(c)” and inserting  
23 “section 711(b)”.

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